

CLAUSE I-67 – INTEGRITY OF UNIT PRICES (August 2002)

- (a) Any proposal submitted for the negotiation of prices for items of supplies shall distribute costs within subcontracts on a basis that ensures that unit prices are in proportion to] the items' base costs (e.g., manufacturing or acquisition costs). Any method of distributing costs to line items that distorts unit prices shall not be used. For example, distributing costs equally among line items is not acceptable except when there is little or no variation in base cost. Nothing in this paragraph requires submission of cost or pricing data not otherwise required by law or regulation.
- (b) The requirement in paragraph (a) of this clause does not apply to any subcontract item of supply for which the unit price is, or is based on, an established catalog or market price for a commercial item sold in substantial quantities to the general public or to an item qualifying for a commercial item exception to cost or pricing data. A price is based on an established catalog or market price only if the item being purchased is sufficiently similar to the catalog or market priced commercial item to ensure that any difference in prices can be identified and justified without resort to cost analysis.
- (c) The Subcontractor shall insert the substance of this clause, less paragraph (c), in all subcontracts.